

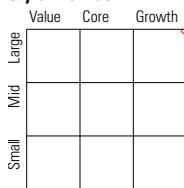
Amazon.com Inc AMZN

Quote/Snapshot

Stock Type Cyclical **Last Close Price** \$202.70 (8/5/2011) **Fair Value Est** \$235.00 **Morningstar Rating™** ★★★

Morningstar Investment Style

Style Breakdown



Valuation 8/5/2011

	Stock	Industry	S&P 500
Price/Earnings	89.30	25.10	13.80
Forward P/E	61.30	—	12.40
Price/Book	11.80	3.70	1.90
Price/Cash Flow	29.20	12.90	7.70
Price/Sales	2.30	0.90	1.20
Fwd Div Yld %	0.0		2.18

Quick Stats

Morningstar Style	Industry	Sector	Stock Type
Large Growth	Specialty Retail	Consumer Cycl	Cyclical
Price/Cash Flow	Price/Earnings	Price/Sales	Sales (\$Mil)
29.20	89.30	2.30	40,277
52-Wk Range	Avg. Volume	Fwd Div Yld	Market Cap (\$Mil)
227.45-122.25	9,448,499 (8/5/2011)	0.0	92,013

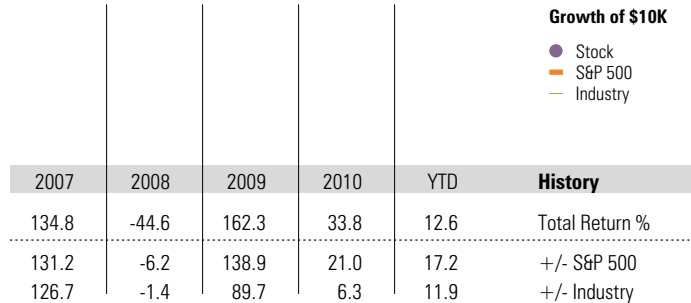
Profitability 6/30/2011

	Stock	Industry	S&P 500
ROA %	6.80	7.10	9.30
ROE %	15.20	15.90	24.30
Net Margin %	2.60	3.90	13.80
Asset Turnover	2.70	1.80	0.80
Fin Leverage	—	5.60	4.40
Sales/Employee \$Thousands	1,195.20	—	—

Growth 12/31/2010

	% 1 Yr	% 3 Yr	S&P 500
Sales	39.60	32.10	6.60
Net Income	27.70	34.30	6.30
EPS	24.00	31.20	6.70
Equity/Share	28.50	74.10	8.10
Dividends	—	—	3.20

Performance



Morningstar Stock Grades

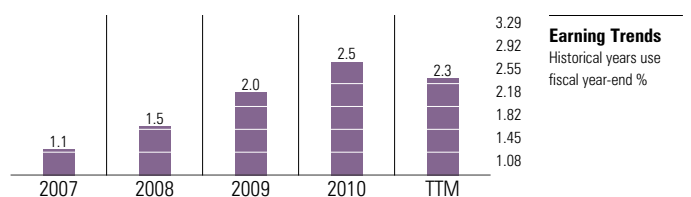
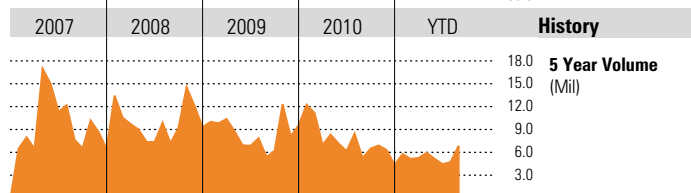
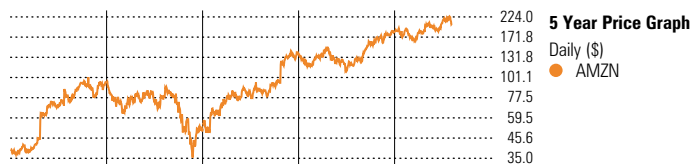
Growth	B
Profitability	D
Financial Health	A

Industry Peers

	Market Cap \$Mil	TTM Sales \$Mil
eBay Inc	37,761	10,050.72
Metro AG	14,342	93,930.60
Bed Bath & Beyond, Inc.	13,186	8,945.40
Netflix, Inc.	12,667	2,656.30
AutoZone Inc	11,585	7,876.14

Fund Ownership

	Morningstar Rating™	% Share Held	% Fund Assets
American Funds Growth Fund of Amer A	★★★	2.92	1.83
Fidelity Contrafund	★★★★	1.37	1.62
T. Rowe Price Growth Stock	★★★★	1.09	3.81
American Funds American Balanced A	★★★	0.91	1.76
PowerShares QQQ	★★★★	0.89	3.60



Operations

What Does This Company Do?

Amazon is the highest grossing online retailer in the world with \$34.2 billion in net sales in 2010, or 8% of the global \$415 billion e-commerce market. Media represented 43% of sales in 2010, and electronics and general merchandise represented 54% of sales. The remaining 3% was derived from cobranded credit card agreements, fulfillment operations, and cloud computing services. Outside the U.S., Amazon operates sites in Canada, the U.K., Germany, France, Austria, Japan, and China. International sales represented 45% of total sales in 2010.

Contact Information

Address 410 Terry Avenue North
Suite 1200
Seattle, WA 98109-5210

Phone 1 206 266-1000

Website <http://www.amazon.com>

Direct Investment No

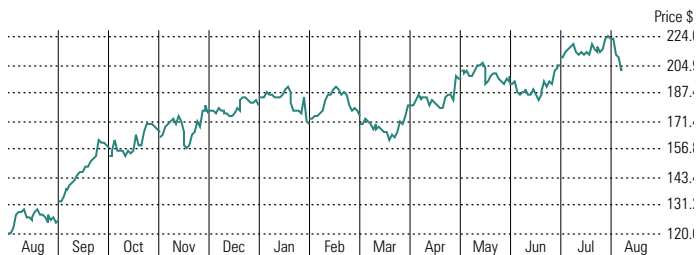
Dividend Reinvestment No

Amazon.com Inc AMZN

Analysis

Stock Type	Last Close Price	Fair Value Est	Morningstar Rating™
Cyclical	\$202.70 (8/5/2011)	\$235.00	★★★

Trailing One-Year Price



Analysis by R.J. Hottovy, CFA 8/3/2011

A shakeout among traditional brick-and-mortar retailers is underway, particularly in commoditized categories. With minimal customer switching costs and intense competition, we've already seen Circuit City, Linens 'N Things, and Borders Group meet their demise the past few years, while names like Best Buy BBY, Barnes & Noble BKS, Office Depot ODP, and OfficeMax OMX struggle to reverse negative same-store sales trends. Mass merchants like Wal-Mart WMT and Costco COST have certainly played a role in this trend, as has the rapid growth of key vendors like Apple AAPL. However, we believe the most disruptive force in retail in recent years has been Amazon.com. Amazon's low-cost operations, network effect, and laser focus on customer service provide the company with sustainable competitive advantages that traditional retailers cannot match, which should yield additional market share in coming years. Coupled with one of the most capital-efficient models in e-commerce, Amazon generates returns on invested capital exceeding 50%, supporting our view that it possesses a wide economic moat. Amazon's primary advantage is its low-cost operations. The cost to maintain its network is much lower than maintaining a large physical retail presence, allowing Amazon to price below its brick-and-mortar peers while still generating excess economic returns. Additionally, tax laws mandate that online retailers collect sales tax in states where they have a physical presence, with the tax responsibility falling to the end consumers themselves. As a result, Amazon presently collects sales tax in five states where it maintains a physical presence, providing additional cost advantages. Amazon also prides itself on superior customer service, resulting in high value and quality service scores. A user friendly interface, product recommendations, and wish lists also help to drive (and retain) traffic at Amazon's websites. In fact, the percentage of traffic to Amazon derived from search has fallen in recent years at the same time that other online retailers have become more dependent on search. We think this indicates that Amazon is increasingly becoming the starting point for online purchases, akin to an anchor tenant. Not surprisingly, Amazon has grown its active customer base to 137 million users as of April 2011, representing a four-year compound annual growth rate of 20%. This compares favorably to eBay EBAY, which has an active customer base of 96 million users that has grown at a 4% CAGR over the same period.

Despite its leading position in an industry with secular tailwinds, Amazon faces a few potential risks. Given state budget deficits and lobbying efforts by brick-and-mortar retailers, we haven't been surprised that online sales tax collection has garnered more attention in recent months, with lawmakers in several states (most notably California) introducing legislation encouraging online retailers to collect sales tax. Obviously, implementation of sales tax collection would narrow Amazon's advantages and make traditional retailers more competitive. Still, even if more stringent tax collection laws were put in place, we believe Amazon could maintain its value proposition and attract customers through other means, including changes to shipping policies or Amazon Prime membership. Profitability would likely take a moderate hit under these circumstances, but we doubt operating margins would fall materially from the mid-single-digit range. As media products (which contributed 43% of total revenue in 2010) move from physical to digital distribution, warehouses and an expansive distribution network will not provide the same advantages. Nevertheless, we like Amazon's chances to compete in the digital media world given its sizable customer base and the symbiotic hardware/software platform potential of its Kindle and other potential tablet computer devices. Amazon has thus far limited the Kindle to e-reader functionality (though still grabbing the early lead in the nascent \$2.5 billion e-reader market), but we anticipate next generation versions will include video and audio capabilities. While we aren't expecting Amazon to supplant Apple's dominance in digital media, we believe it could develop into a formidable player given its expansive customer base, vast content offerings, and ability to sell hardware as a loss leader. Although it's experienced its share of growing pains, we are also intrigued by the growth potential of Amazon Web Services. In particular, Amazon's cloud computing services (EC2) could eventually develop into a multibillion-dollar revenue stream as corporations look for ways to reduce technology capital expenditures. We estimate that AWS generated \$500 million in revenue during 2010 and expect average annual revenue growth of more than 40% in the next five years. With recent investments in additional capacity, we also expect AWS to become an increasingly positive margin contributor due to its highly leverageable nature.

Analyst Note by R.J. Hottovy, CFA 7/27/2011

A blowout second quarter reinforced our positive stance on Amazon's AMZN value proposition and its ability to take share from traditional brick-and-mortar retailers. Revenue grew a whopping 51% to \$9.9 billion during the quarter (44% excluding favorable currency adjustments), the strongest quarterly growth the company has experienced in more than a decade. Amazon's stellar top-line results exceeded our estimates, which were near the high end of the consensus range, and demonstrated the power that low prices, rapidly expanding assortment, and timely delivery have in a value-conscious consumer environment. Margins were pressured again this quarter--reported operating margins were down 210 basis points to 2.0% and adjusted

Amazon.com Inc AMZN

Analysis continued

operating margins (excluding stock-based compensation) contracted 20 basis points to 5.6%--because of ongoing technology, content, and fulfillment capacity infrastructure upgrades. However, much as investments over the past decade are driving today's impressive sales growth and customer acquisition trends, we view these new investments as prudent uses of capital that should keep Amazon ahead of its e-commerce peers for years to come. On the basis of this strong top-line momentum, we plan to raise our fair value estimate modestly. Although shares appear expensive on a conventional price/adjusted earnings and enterprise/EBITDA basis (roughly 41 times and 22 times, respectively), we are confident in Amazon's long-term market share capture potential and believe the high multiples are justified. As infrastructure investments wind down, we believe Amazon's operating margins will soon find a bottom, which may add margin expansion upside to an already compelling growth story in the quarters to come. Revenue growth was strong across all geographies (including 51% growth in North America and 36% currency-adjusted growth in international markets), suggesting that awareness of Amazon's value proposition is becoming universal. Even with some benefit from stabilizing market conditions in Japan, we were encouraged by the third straight quarter of acceleration in media categories (which increased 20% on a currency-adjusted basis), driven in large part by digital media sales. These trends support our view that Amazon is well positioned to accommodate the ongoing consumer shift to digital media distribution, especially with the release of next-generation versions of the Kindle and reports of a new tablet device later this fall. We're also encouraged by heady growth trajectories from Amazon's electronics and general merchandise category, which advanced 62% during the quarter excluding currency, as it amplifies the magnitude of Amazon's year-to-date market share gains in these categories when compared with the mid- to high-single-digit comparable-store sales gains across most specialty brick-and-mortar retailers year to date. Online sales tax collection legislation continues to garner the headlines, particularly in California, but we contend that Amazon's value proposition will hold if state and national sales tax collection enforcement becomes more rigid. Without the cost burden of physical retail stores, Amazon will always enjoy some level of cost leadership that can be passed on to customers in the form of low prices. Additionally, we believe enhancements to Amazon Prime memberships, including the ability to stream TV shows from CBS, will provide consumers with added incentive to shop on Amazon.com.

Stock Type	Last Close Price	Fair Value Est	Morningstar Rating™
Cyclical	\$202.70 (8/5/2011)	\$235.00	★★★

Valuation

Fair Value Estimate	\$235.00
Stock Price	\$209.96
Consider Buying	141.00
Consider Selling	399.50
Uncertainty Risk	Above Avg
Economic Moat	Wide
Stewardship Grade	B

We are raising our fair value estimate to \$235 per share from \$225, based on modestly higher 2011 revenue expectations following Amazon's continued share gains from brick-and-mortar rivals. Our updated fair value estimate implies fiscal 2012 price/adjusted earnings of 45 times, enterprise value/adjusted EBITDA of 24 times, and a free cash flow yield of 4%. Although the relative valuation multiples appear lofty versus other consumer industry averages, our model incorporates three-year earnings per share and free cash flow CAGRs of 35% and 27%, respectively, thus warranting a premium valuation multiple in our view. Amazon's strong competitive positioning and contribution from recent acquisitions should lead to additional share gains this year, putting full-year revenue growth a few percentage points over 40%. Our model assumes average annual revenue growth of approximately 28% during the next five years, the result of market share gains from traditional retailers, the continued secular shift to online retail, and international expansion (particularly China). Additionally, we expect the addition of new product categories to drive average annual revenue growth of around 36% during the next five years in the electronics and other general merchandise category (nonmedia products). We anticipate slower (yet relatively stable) growth in sales of media products (12% average annual revenue growth) due to the shift to digital formats and Amazon's already sizable market share. We project that gross margins will improve only modestly to around 23% over the duration of our 10-year explicit forecast period. While Amazon's growing clout with suppliers should allow for marginally higher gross margins in each segment, the mix shift to lower-margin nonmedia categories should partly offset this benefit. Despite our expectations for only nominal gross margin improvement, we forecast moderate operating margin expansion as Amazon enjoys increasing scale advantages (particularly in the fulfillment and general and administrative expense line items). We expect operating margins to dip to between 2.0%-3.0% this year amid heavy technology and infrastructure investments, but gradually expand to approximately 6% over the next decade, due to greater scale in the core business and increased contribution from Amazon Web Services. Despite low margins, we expect returns on invested capital to exceed 50% (excluding goodwill), thanks to Amazon's capital-efficient business model.

■

Amazon.com Inc AMZN

Analysis continued

Stock Type	Last Close Price	Fair Value Est	Morningstar Rating™
Cyclical	\$202.70 (8/5/2011)	\$235.00	★★★

Other Opinions

Bulls Say

- ▶ Amazon dominates the online retail landscape with 2010 product sales (\$33.2 billion excluding other category sales) that roughly equal the next six closest non-auction competitors combined. Amazon's value proposition should result in significant market share over the next decade.
- ▶ With more than half of the world's Internet users coming from developing markets, Amazon has a tremendous global opportunity. The company sells directly in six countries outside the U.S. and Canada (representing 45% of revenue in 2010), and we believe management is evaluating other geographies for expansion. International e-commerce trends are accelerating, and growth rates should exceed the U.S. by several percentage points over the next decade.
- ▶ The Kindle and a tablet device reportedly set to launch by October position Amazon to capitalize on the ongoing transition to digital media while also demonstrating its cloud computing capabilities.
- ▶ Complementary e-commerce websites (Zappos.com, Diapers.com, Soap.com), LOVEFiLM (an online movie rental subscription service), and an investment in a LivingSocial (a daily deal site similar to Groupon) diversify Amazon and provide multiple opportunities to participate in e-commerce growth.
- ▶ Amazon has leveraged its assets in creative ways, such as allowing third-party sellers to sell on Amazon.com and use its fulfillment services, licensing its platform to large merchants, and licensing its payment services. Third-party sales represented 32% of units sold in 2010.

Bears Say

- ▶ A rapidly changing Internet landscape may be disruptive to Amazon's business model. The company faces competition from eBay, Google, Yahoo, Apple, and Walmart.com which offer competing e-commerce websites, auction marketplaces, online payment services, comparison shopping sites, ad search engines, video streaming, and independent website hosting.
- ▶ As more media products are sold in digital formats, Amazon's physical warehouses and distribution capabilities may not provide the same advantages.
- ▶ An evolving regulatory landscape exposes Amazon to uncertainty. Legislation enforcing out-of-state retailers to collect sales taxes could impair eBay's profitability, making online offerings from bricks-and-mortar retailers in commoditized retail categories more competitive.
- ▶ International growth brings unique challenges, as foreign governing bodies are constantly amending online commerce laws. Additionally, in many instances, Amazon will square off with an incumbent local competitor in several international markets.
- ▶ Beyond core retailing, many of Amazon's other ventures have not been successful, including the A9 search engine, Amazon auctions, and Unbox--Amazon's original video-on-demand service.

Additional Commentary 8/3/2011

Financial Health

Amazon's balance sheet is in great shape. As of June 2011, the firm had nearly \$6.3 billion in cash and equivalents compared with just over \$300 million in debt principal and interest obligations. Amazon has manageable capital and financial lease requirements and can easily fund its growth using free cash flow. We believe Amazon could support substantial incremental debt for acquisitions or to recapitalize its balance sheet, though this seems unlikely.

Profile

Amazon is the highest grossing online retailer in the world with \$34.2 billion in net sales in 2010, or 8% of the global \$415 billion e-commerce market. Media represented 43% of sales

in 2010, and electronics and general merchandise represented 54% of sales. The remaining 3% was derived from cobranded credit card agreements, fulfillment operations, and cloud computing services. Outside the U.S., Amazon operates sites in Canada, the U.K., Germany, France, Austria, Japan, and China. International sales represented 45% of total sales in 2010.

Management

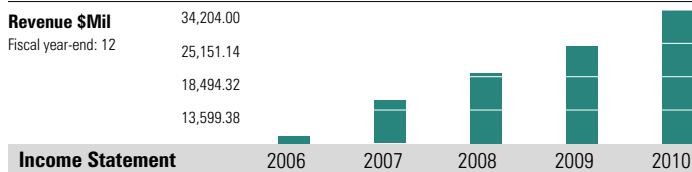
Chairman and CEO Jeff Bezos founded Amazon.com in 1994. Tom Szkutak became CFO in September 2002 after 20 years at General Electric GE, most recently as CFO of GE Lighting. We think that the quality of management and corporate governance is very good in terms of management incentives and shareholder friendliness. Not even the most senior managers have golden parachutes. Bezos owns about 20% of the shares, takes no equity compensation or bonus pay, and collects a paltry salary. Although the board is small, it is elected every year, receives no cash compensation, avoids insider relationships, and hasn't implemented antitakeover provisions. The company also provides a good deal of supplementary financial data in its quarterly releases. Our only complaint is that such disclosures have not increased as the company has expanded into new areas, including digital downloads, the Kindle, and cloud computing.

Risk

Impairment to Amazon's low-price positioning, whether real or perceived, could have an adverse impact on fundamentals. Amazon must maintain its value proposition to drive site traffic while fending off other online merchants, mass merchants, warehouse clubs, and specialty retailers for market share. Amazon also faces some regulatory risk, as we expect a national standard for collecting online sales tax to be put in place within the next several years, potentially removing one of Amazon's key cost advantages. Additional risks include a constantly evolving e-commerce landscape, exposure to volatile discretionary spending patterns, and expansion into peripheral business lines like cloud computing, which could distract management or lead to poor capital allocation decisions. International growth brings unique challenges, as foreign governing bodies are constantly amending online commerce laws.

Amazon.com Inc AMZN

Financials



Income Statement

	2006	2007	2008	2009	2010
Revenue \$Mil	10,711.00	14,835.00	19,166.00	24,509.00	34,204.00
Gross Margin %	22.93	22.60	22.28	22.57	22.35
Oper Income \$Mil	389.00	655.00	842.00	1,129.00	1,406.00
Operating Margin %	3.63	4.42	4.39	4.61	4.11
Net Income \$Mil	190.00	476.00	645.00	902.00	1,152.00
Earnings Per Share	0.45	1.12	1.49	2.04	2.53
Dividends \$ \$Mil	—	—	—	—	—
Shares Mil	424	424	432	442	456
Book Value Per Share \$	1.05	2.88	6.23	11.84	15.22

Oper Cash Flow \$Mil	702.00	1,405.00	1,697.00	3,293.00	3,495.00
Cap Spending \$Mil	-216.00	-224.00	-333.00	-373.00	-979.00
Free Cash Flow \$Mil	486.00	1,181.00	1,364.00	2,920.00	2,516.00

Profitability

Return on Assets %	4.72	8.78	8.72	8.15	7.07
Return on Equity %	56.13	58.48	33.34	22.75	19.01
Net Margin %	1.77	3.21	3.37	3.68	3.37
Asset Turnover	2.66	2.74	2.59	2.22	2.10
Assets/Equity	10.12	5.42	3.11	2.63	2.74

Financial Health

Working Capital \$Mil	841.00	1,450.00	1,411.00	2,433.00	3,375.00
Long Term Debt \$Mil	1,247.00	1,282.00	409.00	109.00	184.00
Total Equity \$Mil	431.00	1,197.00	2,672.00	5,257	6,864
Debt/Equity	2.89	1.07	0.15	0.02	0.09

Cash Flow	2006	2007	2008	2009	2010
Cash From Operations	702.00	1,405.00	1,697.00	3,293.00	3,495.00
Cap Ex	-216.00	-224.00	-333.00	-373.00	-979.00
Free Cash Flow	486.00	1,181.00	1,364.00	2,920.00	2,516.00

Cash Flows Ratios

Operating Cash Flow Growth-YOY	-4.23	100.14	20.78	94.05	6.13
Free Cash Flow Growth-YOY	-8.13	143.00	15.50	114.08	-13.84
Cap Ex as a % of Sales	2.02	1.51	1.74	1.52	2.86
Free Cash Flow/Sales	4.54	7.96	7.12	11.91	7.36
Free Cash Flow/NetIncome	2.56	2.48	2.11	3.24	2.18

Stock Type	Last Close Price	Fair Value Est	Morningstar Rating™
Cyclical	\$202.70 (8/5/2011)	\$235.00	★★★

Balance Sheet

Assets \$Mil	2009	2010	Current
Cash and Equiv	3,444.00	3,777.00	2,047.00
Short Term Investments	2,922.00	4,985.00	4,308.00
Accts Rec	988.00	1,587.00	1,438.00
Inventory	2,171.00	3,202.00	3,229.00
Other Current Assets	272.00	196.00	257.00
Total Current Assets	9,797.00	13,747.00	11,279.00
Net PP&E	1,290.00	2,414.00	3,470.00
Intangibles	1,234.00	1,349.00	1,909.00
Other Long-Term Assets	1,492.00	1,287.00	1,283.00
Total Assets	13,813.00	18,797.00	17,941.00

Liabilities and Stockholder's Equity \$Mil

Accts Payable	5,605.00	8,051.00	5,721.00
Short Term Debt	—	—	—
Income Tax Payable	—	—	—
Accrued Liabilities	1,759.00	2,321.00	2,324.00
Other Short Term Liabilities	0.00	0.00	0.00
Total Current Liabilities	7,364.00	10,372.00	8,045.00
Long Term Debt \$Mil	109.00	184.00	2,131.00
Other Long Term Liabilities	1,083.00	1,377.00	0.00
Total Liabilities	8,556.00	11,933.00	10,176.00
Total Stockholder's Equity	5,257.00	6,864.00	7,765.00
Total Liabilities & Equity	13,813.00	18,797.00	17,941.00

Quarterly Results

Sales	9/2010	12/2010	3/2011	6/2011
Current	7,560.00	12,947.00	9,857.00	9,913.00
% Change From Year Earlier	38.70	36.00	38.20	51.00
Net Income				
Current	231.00	416.00	201.00	191.00
% Change From Year Earlier	16.10	8.30	-32.80	-7.70
Earnings/Share				
Current	0.51	0.91	0.44	0.41
% Change From Year Earlier	13.30	5.40	-33.30	-8.90

Amazon.com Inc AMZN

Valuation/Estimates

Stock Type Cyclical **Last Close Price** \$202.70 (8/5/2011) **Fair Value Est** \$235.00 **Morningstar Rating™** ★★★

Valuation Ratios

	Stock	Industry	S&P 500	*Stock's 5 Yr Average
Price/Earnings	89.30	25.10	13.80	68.3
Price/Book	11.80	3.70	1.90	20.3
Price/Sales	2.30	0.90	1.20	2.0
Price/Cash Flow	29.20	12.90	7.70	7.8
Dividend Yld %	—	—	2.00	—

* Price/Cash Flow uses 3-year average.

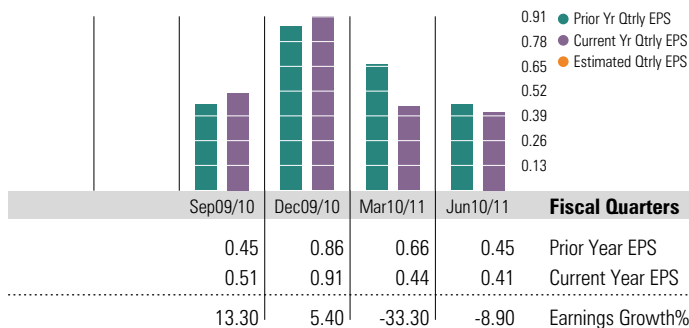
Forward Valuation Ratios

	Stock	Industry	S&P 500
Forward Price/Earnings	61.30	—	12.40
PEG Ratio	2.30	—	1.40
PEG Payback (Yrs)	11.20	—	—

Earnings Surprises %

By what percentage did the company beat consensus analyst earnings estimates?

Quarterly Earnings



Annual Earnings Estimates

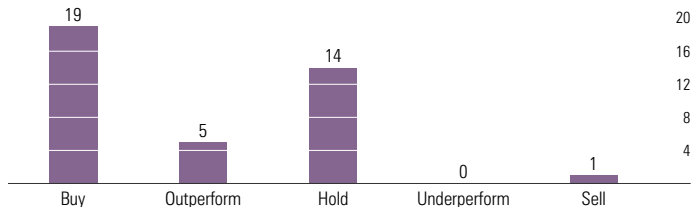
Earnings Type	12/2011		12/2012	
	\$	Growth %	\$	Growth %
High	2.82	11.46	4.49	59.22
Low	1.38	-45.45	1.76	27.54
Mean	1.96	-22.53	3.19	62.76
30 Days Ago	2.41	-4.74	3.77	56.43
60 Days Ago	2.38	-5.93	3.69	55.04
90 Days Ago	2.48	-1.98	3.83	54.44
Number of Estimates	29		30	

Five Year Growth Forecast: 25.67%

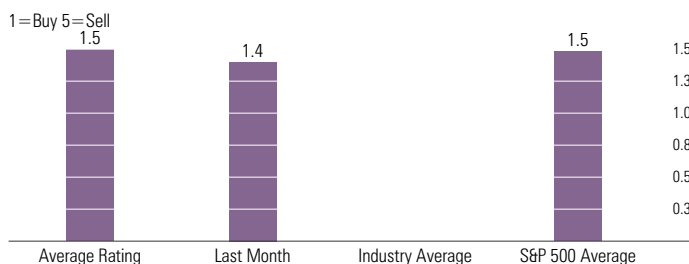
Industry Average: 15.79%

Range of Analyst Opinions

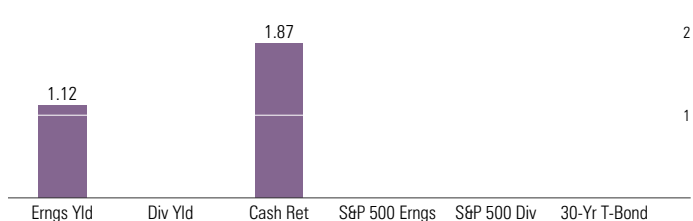
Total number of Analysts: 39



Analyst Opinion Trends



Current Rates of Return %



Amazon.com Inc AMZN

Ownership

Stock Type
Cyclical

Last Close Price
\$202.70 (8/5/2011)

Fair Value Est
\$235.00

Morningstar Rating™
★★★

Fund Ownership Summary

Shares Outstanding	Fund Ownership	Total of Funds	Average Star Rating
453,935,325.00	163,202,943.00	2,327.00	3.0

Insider Activity

Date	Name/Position	Shares	Transaction
11/2/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	86,087	Sold at \$165.23/Share.
11/2/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	31,077	Sold at \$163.74/Share.
11/2/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	155,647	Sold at \$164.45/Share.
11/2/2010	L. MICHELLE WILSON/Senior Vice President	3,300	Sold at \$165.00/Share.
11/1/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	74,777	Sold at \$163.77/Share.
11/1/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	295,100	Sold at \$162.17/Share.
11/1/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	290,123	Sold at \$162.97/Share.
10/28/2010	JEFFREY P. BEZOS/Director, Chairman, CEO and President, Ten Percent Owner	13,358	Gave as Gift. Proceeds of 0.00
9/24/2010	SHELLEY REYNOLDS/Vice President	4,200	Exercised Options at \$0.00/Share.
9/24/2010	SHELLEY REYNOLDS/Vice President	4,200	Sold at \$155.48/Share.
9/24/2010	SHELLEY REYNOLDS/Vice President	4,200	Exercised Options at \$0.00/Share.
9/20/2010	H. BRIAN VALENTINE/Senior Vice President	8,100	Sold at \$149.28/Share.
9/20/2010	H. BRIAN VALENTINE/Senior Vice President	22,363	Sold at \$150.23/Share.
9/20/2010	H. BRIAN VALENTINE/Senior Vice President	12,500	Sold at \$148.35/Share.
9/20/2010	H. BRIAN VALENTINE/Senior Vice President	11,037	Sold at \$147.59/Share.
9/20/2010	L. MICHELLE WILSON/Senior Vice President	3,300	Sold at \$150.00/Share.
9/20/2010	SHELLEY REYNOLDS/Vice President	860	Sold at \$150.00/Share.
9/20/2010	TOM A. ALBERG/Director	2,000	Sold at \$150.00/Share.
9/18/2010	H. BRIAN VALENTINE/Senior Vice President	80,000	Exercised Options at \$0.00/Share.
9/18/2010	H. BRIAN VALENTINE/Senior Vice President	80,000	Exercised Options at \$0.00/Share.

Top Funds Largest Stake

Fund Name	Morningstar Rating™	Shares Held	% Fund Assets	Chng(000) in Ownrshp	Date of Portfolio
American Funds Growth Fund of Amer A	★★★★	2.92	1.83	2,822.00	6/30/2011
Fidelity Contrafund	★★★★	1.37	1.62	280.00	6/30/2011
T. Rowe Price Growth Stock	★★★★	1.09	3.81	-293.00	6/30/2011
American Funds American Balanced A	★★★★	0.91	1.76	500.00	6/30/2011
PowerShares QQQ	★★★★	0.89	3.60	-159.00	6/30/2011
American Funds New Perspective A	★★★★	0.85	1.81	0.00	6/30/2011
Vanguard Total Stock Mkt Idx		0.87	0.43	3,918.00	3/31/2011
Vanguard US Total Market Shares (AU) ETF		0.87	0.43	139.00	3/31/2011
American Funds NVIT Growth II	★★	0.69	2.39	100.00	6/30/2011
Vanguard 500 Index Investor	★★★	0.71	0.53	50.00	3/31/2011
T. Rowe Price Blue Chip Growth	★★★★	0.58	4.59	-65.00	6/30/2011
American Funds Fundamental Investors A	★★★★	0.58	1.11	100.00	6/30/2011
SPDR S&P 500	★★★	0.53	0.66	-32.00	8/5/2011
Vanguard Institutional Index Instl	★★★	0.62	0.53	92.00	3/31/2011
Harbor Capital Appreciation Instl	★★★★	0.54	4.21	0.00	6/30/2011
Fidelity Growth Company	★★★★	0.49	1.11	0.00	6/30/2011
Vanguard PRIMECAP Inv	★★★★	0.52	1.34	-75.00	3/31/2011
Calamos Growth A	★★★	0.46	4.20	0.00	4/30/2011
American Funds Washington Mutual A	★★★★	0.36	0.67	0.00	6/30/2011
Fidelity Blue Chip Growth	★★★★	0.33	2.12	23.00	6/30/2011

Top Funds Owners Largest Concentration

Fund Name	Morningstar Rating™	Shares Held	% Fund Assets	Chng(000) in Ownrshp	Date of Portfolio
Internet HOLDRs		0.00	47.52	0.00	7/31/2011
Prudential Jennison Market Neutral A		0.00	37.88	0.00	6/30/2011
Virtus Market Neutral A	★	0.00	15.29	0.00	6/30/2011
Retail HOLDRs		0.00	14.46	0.00	7/31/2011
Fidelity Select Retailing	★★★★	0.03	14.15	7.00	6/30/2011
Allianz RCM All Alpha A		0.00	13.66	0.00	6/30/2011
Morgan Stanley Inst Opportunity H	★★★★★	0.03	8.60	-4.00	3/31/2011
Morgan Stanley Sel Dim Focus Growth Y	★★★★	0.01	8.58	-3.00	3/31/2011
Morgan Stanley Focus Growth B	★★★★	0.19	8.56	-49.00	3/31/2011
Guggenheim Ocean Tomo Growth Index	★★★★★	0.00	8.50	0.00	8/4/2011
PowerShares NASDAQ Internet	★★★★★	0.00	8.48	0.00	6/30/2011
First Trust Dow Jones Internet Index	★★★★★	0.06	8.08	-33.00	6/30/2011
Baillie Gifford Long Term Gbl Gr C	★★★★★	0.03	7.99	0.00	3/31/2011
MS INVV US Growth I USD	★★★★	0.10	7.97	0.00	6/30/2011
Touchstone Sands Capital Inst Gr	★★★★★	0.13	7.82	9.00	4/30/2011
Foxby Corp		0.00	7.79	0.00	3/31/2011
Touchstone Sands Capital Select Growth Z	★★★★	0.10	7.78	18.00	4/30/2011
Morgan Stanley Inst Focus Growth I	★★★★	0.00	7.71	0.00	3/31/2011
Rydex Internet Adv	★★★	0.00	7.57	-1.00	6/30/2011
ProFunds VP Internet	★★★★	0.00	7.56	-3.00	3/31/2011